

July 31, 1940.

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40-8UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Instructions for State and County Committees  
Relative to Repayment and Renewal of Loans  
and Supervision of Delivery of Collateral in  
Payment of Loans on 1938 and 1939 Corn.



## Introduction.

Under the resealing program of last year 16,583,795 bushels of 1937 corn were resealed; 15,469,661 bushels in farm storage, and 1,114,134 bushels in warehouse storage; also 148,008,150 bushels of 1938 corn; of which 136,702,720 bushels were farm-stored and 11,305,630 bushels warehouse stored; making a total of 164,591,845 bushels resealed by producers. The Commodity Credit Corporation stored 90,981,388 bushels of corn delivered to the Corporation in liquidation of loans - 60,017,078 bushels in steel bins and 29,964,310 bushels in warehouses. In addition, 301,706,943 bushels of 1939 corn were sealed last winter making a total of 557,280,276 bushels of corn in the Ever Normal Granary.

Loans on 1937 and 1937-38 commingled corn are now being liquidated by delivery to the Commodity Credit Corporation or redeemed for feeding. Considerable 1938 and 1939 corn has also been redeemed, but no doubt there will be over 400 million bushels of farm-stored corn under loan when the loans mature.

Because of the resealing program in 1939 and the participation in all other phases of the Agricultural Adjustment Program, farm prices for corn have been strengthened and maintained at a point about 32 percent higher than a year ago, notwithstanding the higher yields of 1939, the larger total supply and increased carry-over.

In order to continue this demonstrated effectiveness of the program from the standpoint of price stabilization, and also from the standpoint of conservation and National defense, it is desirable to keep this corn as a reserve on farms, which is the proper location for the Ever Normal Granary, until short crops or general market conditions justify its movement into consumptive channels.

County committees will be responsible for carrying out this program by supervision of:

- (1) Repayment of loans by borrowers.
- (2) Resealing in farm storage.
- (3) Delivery and storage in steel bins or in public warehouses of corn delivered to Commodity Credit Corporation in liquidation of loans.



## Part I - REPAYMENT OF LOANS

### Section 1. 1937 and 1938 Corn

County committees have been authorized by wire of July 5 to accept repayment of loans on 1937 and 1938 corn at 58 cents per bushel up to October 1, 1940.

It will, not be necessary to compute any interest or other charges on such corn. The usual procedure, as outlined in 39-Corn Loans, Part V, G "REPAYMENT OF LOANS" will be followed in releasing cribs, handling payments, and releasing mortgages. No inspection need be made of the corn or storage structure if the entire loan is paid.

### Section 2. 1939 Corn

All loans on 1939 corn draw 3 percent interest from date of execution, which will be added to the loan at the time the loan is paid. County committees will continue to follow the same procedure as used heretofore in accepting repayment of loans on 1939 corn. It is desirable to have a large number of co-operating farmers carry corn reserves privately and every encouragement should be given to farmers who may be in position to do so at this time.

## Part II - RESEALING

Loans on farm-stored 1938 and 1939 corn in the commercial corn area and loans on farm-stored 1939 corn in noncommercial area may be renewed by the execution of C.C.C. Corn Form A-1 (Reseal 1938 and 1939 Corn), and C.C.C. Corn Form AA-1 (Reseal 1938 and 1939 Corn), after the corn has been reinspected and resealed. State and county committees will be governed in the resealing of 1938 and 1939 corn as collateral for loans by Commodity Loan Regulations No. 1 as amended October 21, 1939.

### Section 1. Eligible Producer

Any producer now having a loan on corn produced in 1938 or 1939 in the commercial corn area or on 1939 corn in the noncommercial area will be eligible to renew the loan and receive a storage advance.

### Section 2. Eligible Corn

Any corn now under loan in farm storage which was produced in 1938 or 1939 in the commercial corn area or which was produced in 1939 in the noncommercial area by an eligible producer. Corn may be resealed either as ear corn or shelled corn, but must grade No. 3 or better and must not contain over 13.5 percent moisture when stored as shelled corn, and not more than 15.5 percent moisture when stored as ear corn.

### Section 3. Eligible Storage

County committees should approve only farm-storage structures which will keep the corn without danger of loss or damage under ordinary conditions. Re-sealing will be limited to farm-stored corn.



Section 4. Maturity of Loan and Interest Rate.

Loans secured by notes and chattel mortgages wherein the producer elects the two-year storage option, will mature on demand, or August 1, 1942. Where the one-year option is elected, loans will mature on demand, or August 1, 1941. All loans will bear three percent interest from August 1, 1940.

Section 5. Farm Storage Advance and Storage Period.

Producers will be eligible for a storage advance of 10 cents per bushel for agreeing to store the corn until October 15, 1942. Producers who are unable or who do not wish to store corn to October 15, 1942, may agree to store the corn until October 15, 1941, and receive a storage advance of 5 cents per bushel. This storage advance will be paid by the Commodity Credit Corporation upon the completion of the renewal documents.

Section 6. Amount of Loan.

Since all storage advances on 1938 corn that were included in the loan are to be retained by the borrower, and all accrued interest on both 1938 and 1939 corn is to be canceled upon resealing in order to simplify administration and permit the commingling of the 1938 and 1939 corn on the same basis, the amount in the new note and mortgage will be as follows:

(a) Two-Year Storage: On two-year storage loans, the amount will be the original loan rate of 57 cents plus 10 cents for storage until October 15, 1942, or a total of 67 cents.

(b) One-Year Storage: On one-year storage loans, the amount will be the original loan rate of 57 cents plus 5 cents for storage to October 15, 1941, or a total of 62 cents.

(c) Mixed Corn: All 1939 mixed corn was sealed at 55 cents per bushel and the amount of the new loans on mixed corn therefore will be 65 cents for the two-year storage loans, and 60 cents for the one-year storage loans.

(d) Noncommercial Corn Area: Renewal of loans will be available in the noncommercial corn area on 1939 corn now under loan. One and two-year options will apply as in commercial corn areas; 48 cents for one-year storage and 53 cents for two-year storage; the rates for mixed corn shall be two cents less. The original loan rate will govern in all cases.

(e) Repayment of 1938 or 1939 Renewal Loans: Loans on 1938 or 1939 corn which have been renewed may be redeemed at any time by the payment to the Commodity Credit Corporation of the original loan value plus storage advance plus 3 percent interest, less earned storage. Storage is deemed to be earned at the rate of one-half cent ( $1/2\phi$ ) per bushel for each full month of storage starting October 1, 1940, for one-year loans, and December 1, 1940, for two-year loans, not to exceed the total storage allowance.

(f) In the event a loan is called prior to maturity for reasons stated in Section 3 of C.C.C. Corn Form AA-1, "Corn Chattel Mortgage", the following will apply to storage advances:



1. Misrepresentation in connection with loan: Producer must refund all of the storage advance.
2. Collateral damaged or threatened with damage or the filing of a petition in bankruptcy: Producer will be required to refund the unearned portion of the storage advance at the rate of one-half cent (1/2¢) per month or major portion thereof.
3. Loans called by the Commodity Credit Corporation in connection with the demand feature of the note: Producer will not be required to refund any portion of the storage advance.

#### Section 7. Insurance.

Producers will be required to purchase primary insurance on all corn resealed for the storage period ending October 15, as provided in the loan. The amount of insurance shall not be less than the amount of the note plus interest to maturity.

Secondary insurance will be purchased by Commodity Credit Corporation on all resealed corn.

1938 corn carries no insurance, but all 1939 corn carries primary insurance for one year from date of loan, and upon obtaining the new insurance, the cancelation of outstanding certificates will be on a pro rata basis if applied on the new insurance with the same insurance company.

#### Section 8. Liens

The original chattel mortgage, though released of record, will be retained in the county files and any lien waivers listed therein will be in effect in connection with the renewal loan.

The names of such lienholders, together with the notation "Waiver Filed," should be listed in Section 10 of the mortgage.

Any liens filed subsequent to the original chattel mortgage should be shown in section 10 of the new chattel mortgage and on the new work sheet and waiver secured for such liens.

Waivers may be secured on the chattel mortgage or on 1939 C.C.C. Corn Form AB, and attached to the chattel mortgage.

If there are no lienholders the word "none" should be entered.

#### Section 9. Service Fees.

No fees for sealing or inspecting cribs or bins, or otherwise servicing loans are to be collected. Recording fees shall be paid by the producers.



Section 10. Applicants.

Producers desiring to reseal their corn should apply to the county agricultural conservation committee who will explain the requirements for resealing, and if the corn and storage are believed to be eligible, the county committee should instruct an inspector to make an inspection and complete a corn loan work sheet 39-Corn Loan 1 or 39-Corn Loan 1-S. Producers should inform the county committee of their intentions prior to September 1, 1940.

Section 11. Inspection.

(a) 1938 and 1939 corn to be resealed as ear corn.

The inspector shall make an inspection of the corn and the structure in which the corn is stored. If he considers the corn and structure eligible for a loan renewal, he will remeasure the corn, complete a work sheet (39-Corn Loan 1), and take a representative sample of the corn. He should then reseal the crib using the same seal number for the 1938 corn to which seal number was added E-8 when resealed in 1939, Ex. 145E-8, and in the case of 1939 corn, the same seal number shall be used, adding E-9. Example: 146 E-9.

If the inspector finds a deficiency in the quantity or quality of the corn, he shall complete one copy of Corn Loan 11, and transmit it to the county office.

The county committee shall not complete the loan renewal until the shortage has been settled according to section 16 of this part II. If the quality of the corn is unacceptable, the county committee shall require that the loan be liquidated by the delivery of the corn in accordance with part III hereof, or payment of the loan in full.

(b) Shelled Corn to be Resealed. The inspector shall make a careful inspection of the storage structure in which the corn is stored, remeasure the corn and take a representative sample for grade determination. He will complete a work sheet (39-Corn Loan 1-S) and reseal the structure, using the same seal number. In case of any deficiencies, the county committee shall proceed as outlined in paragraph (a) herein.

(c) 1938 or 1939 Ear Corn to be Shelled and Resealed. The inspector shall measure the corn to determine that there is no shortage in the quantity and carefully inspect the corn for quality, using an ear corn probe for sampling. If he finds the quantity and quality of the corn and the bin in which the corn is to be stored acceptable, he shall authorize the borrower to break the seal, shell, and remove foreign material, and store the corn. After shelling and cleaning are completed, the inspector will measure the bin and take a representative sample of the shelled corn and complete a work sheet (39-Corn Loan 1-S). Then he shall reseal the bin, using the old seal number and placing 8-S before the number in the case of 1938 corn. Example: 8-S 142, and placing 9-S before the number for 1939 corn. Example: 9-S 143. Commingled Corn 9-S 143, 8-S 142. If the inspector finds a shortage, or the corn or bin is unacceptable, he shall proceed as provided in paragraph (a) herein.



## Section 12. Sampling.

Samples of ear corn should be taken with ear corn probes from different points in the crib, including the center and bottom of the crib. Samples of shelled corn should be taken with a grain probe from various points in the bin. The corn samples from each probe must be carefully placed on a sampling cloth so that each portion may be examined. If the corn appears to be eligible for a loan, the inspector should blend the various samples and at least 1-1/8 pints should be placed in the moisture-proof container and Kraft envelope.

The same methods should be used when sampling truck or wagon loads of corn. If the inspector finds part of the corn seriously damaged, he should take a representative sample of the entire mass of corn and another representing that part of the crib or bin that is damaged. An estimate should be made of the number of bushels of corn seriously damaged and shown on the accompanying work sheet.

## Section 13. Grading

State committees will determine whether samples shall be forwarded to and the grade determination made in the State or county office. County committees may, with the approval of the State committees, authorize inspectors to make grade determinations in all but questionable cases.

## Section 14. Commingling Corn

1938 and 1939 corn may be commingled in the same bin. In such cases or in any case where corn from two or more seal numbers of either 1938 or 1939 corn are placed in the same bin, the old seal numbers shall be used, corrected where necessary by the prefix "8-S" or "9-S" whenever applicable, as outlined in paragraph (c) of section 12 herein.

## Section 15. Quantity Determination - Shelled Corn.

The number of cubic feet of shelled corn less the space occupied by braces, cross ties, ventilators, etc., should be divided by 1-1/4 or multiplied by 0.8 to determine the number of bushels of corn. Ear Corn: (Settled basis - resealed without moving). The number of cubic feet of ear corn less the space occupied by ventilators, cross ties, braces, excess stalks, husks, etc., should be divided by 2-1/4 cubic feet or multiplied by 0.4444 to determine the number of bushels. Ear Corn: (Transferred at time of loan renewal) The number of cubic feet of ear corn less the space occupied by ventilators, cross ties, braces, excess stalks, husks, etc., should be divided by 2-1/2 or multiplied by 0.4 to determine the number of bushels.

## Section 16. Shortage in Quantity.

Whenever the total number of bushels of corn resealed or delivered is less than the number of bushels used in computing the original loan, the borrower shall be required to pay, in the case of 1937 or 1938 corn, 58 cents per bushel, on the number of bushels, representing the difference between the number of bushels resealed or delivered and the number of bushels used in computing the original loan; and in the case of 1939 corn, the original loan value per bushel



plus interest on such difference. In the noncommercial area the shortage shall be computed on the basis of the original loan value plus interest and charges.

If in the opinion of the inspector and the county committee, the amount of corn represented by the shortage did not exist or that it was converted by or permitted to be lost or destroyed through the negligence of the borrower, then the borrower should be required in the case of 1937 or 1938 corn to pay an amount equal to the original loan rate plus storage advance, if any, plus interest from date of note.

In the event shortage is computed at 58 cents per bushel, an explanation shall be entered under "Remark" on C.C.C. Corn Form W, that the corn was in existence at the time the loan was made and that such shortage was not due to negligence on the part of the borrower.

When a shortage is caused by theft, evidence must be secured establishing such theft, and a complete report made on Corn Loan 11 by the county committee to be forwarded with Corn Form W to the Commodity Credit Corporation.

Conversion of mortgaged property to the use of the borrower is punishable under State criminal codes.

The Commodity Credit Corporation does not wish to raise the question of criminal liability and the question need not be raised if immediate settlement is made.

#### Section 17. Serial Numbers.

At the time the renewal of loan documents is being completed, the county committee shall assign a serial number which shall be preceded by the State and county code numbers. Such serial numbers shall be assigned in consecutive order, and shall begin with No. 1 in all counties. Only one series of numbers is to be used. Numbers assigned to loans on shelled corn shall be preceded by the letter "S" and in the case of ear corn, by the letter "E". (Examples: 42-068-S1 and 42-069-E2).

#### Section 18. Report of Corn.

A report on C.C.C. Corn Form W shall be prepared in duplicate by the county committee for each original loan and the original copy shall be transmitted to the Special Representative of the Commodity Credit Corporation, 164 West Jackson Boulevard, Chicago, Illinois, when delivery and/or resealing is completed.

County committees are cautioned to complete C.C.C. Corn Form W in detail, accounting for the number of bushels under the original loan.

#### Section 19. Report of Loan Renewals Certified.

County committees shall make a record of all renewal loans certified on 39-Corn Loan 4, Revised: "County Committee Report of Loan Renewals on 1938 and 1939 Corn." Separate reports shall be kept for one-year loans and two-year loans.



In the upper left-hand corner of the form, type in the maturity date of all loans listed on such form, i.e., loans maturing August 1, 1941, shall be for one-year loans and loans maturing August 1, 1942, shall be for two-year loans.

A county office copy for each type of loan should be kept from day to day, and at the end of each month four typed copies for each type of loan shall be made. The original and two copies shall be submitted with expense claims of the county for the current month to the State committee; the third copy to be retained in the county office files.

The information at the bottom of 39-Corn Loan 4, Revised, shall be entered according to each type of loan. State committees shall type three copies of a State summary by counties. At the bottom of this State office report a total for all resale loans, one-year and two-year, should be shown.

One copy of the State office summary, together with the originals of 39-Corn Loan 4, Revised, for each county shall be sent to Mr. Ivan C. Hardin, Special Representative, Commodity Credit Corporation, 164 West Jackson Boulevard, Chicago, Illinois, each month during the resale period, and the final report shall be marked "final." One copy of the State office summary, and one copy of 39-Corn Loan 4, Revised, for each county shall be mailed to the Regional Director during the resale period.

### Part III. PROCEDURE FOR DELIVERY OF CORN TO THE COMMODITY CREDIT CORPORATION.

The Chicago Office of the Commodity Credit Corporation, 164 West Jackson Boulevard, will be the central office for the handling of corn delivered in payment of loans on 1938 and 1939 corn. The North Central Division of the Agricultural Adjustment Administration has a representative, Mr. Chas. M. Hunter, in this office to assist State and county committees with corn loan liquidation problems.

#### Section 1. Notice to County Committees.

Borrowers desiring to deliver their corn collateral in payment of their loans must notify the county committees and obtain instructions as to delivery before breaking the seals and delivering the corn. County committees shall not authorize delivery of corn until:

(a) It is ascertained that the borrower cannot or does not desire to repay or renew his loan.

(b) Authority has been received from State committees to accept deliveries.

(c) An inspection shows the quantity and quality of the corn to be acceptable or a settlement has been arranged.

(d) Authority to deliver has been given the borrower on Corn Loan 15, and a copy transmitted to the warehouseman.

(e) It is determined that the warehouse to which the corn is to be delivered has been approved.



(f) It is determined that, in the case of corn to be stored in structures provided by the Commodity Credit Corporation, such storage space is available, and arrangements have been made for weighing and unloading. The use of blowers for the loading of corn into steel bins or cars is prohibited.

## Section 2. Reinspection and Delivery.

When a borrower indicates to the county committee that he will deliver corn in liquidation of a loan, and when the provisions of Part III, section I, have been complied with, the county committee shall prepare two copies of Corn Loan 15, completing such form down to and including "Name and Address of Warehouse," or "Location of Steel Bin Site." The forms shall be signed and dated by the chairman or the secretary. The seal number or numbers, and the amount of corn in each crib or bin covered by the loan should be entered. If only part of the corn is to be delivered, such amount should be indicated on Form 15 opposite the loan bushels and should be marked, "To be delivered." (Example: Seal No. 1124, Bushels 1800 [1200 bushels to be delivered]).

The county committee shall transmit both copies of Corn Loan 15 to an inspector who shall reinspect the corn. If he finds the quality to be acceptable and there is no shortage in quantity, he shall deliver the original copy of Corn Loan 15 to the borrower and transmit the duplicate copy to the warehouseman. He should instruct the borrower that a sample will be required as provided in Corn Loan 15 and that both copies of the form must be signed by the borrower and warehouseman, and sent to the office of the county committee with the sample. In case the warehouseman and producer are unable to agree as to the grade of the corn delivered or upon the request of the State or county committee, a representative sample should be submitted to the State office for grade determination. In all cases the grade appearing on the scale ticket or warehouse receipt must represent the grade of corn delivered by the producer. Not more than the number of bushels used in computing the amount of the loan will be received for the account of Commodity Credit Corporation. Any additional corn delivered is for the account of the producer. If it is the opinion of the inspector that the corn will grade lower than No. 3 or that there is a shortage he shall make a complete report to the county committee by preparing one copy of Corn Loan 11 showing the condition found and the cause. It should be determined whether the loss or damage is covered by insurance, and if it is, the inspector should not authorize delivery of the corn until instructed to do so by the county committee. Instructions relative to insurance adjustments and also relative to risks not covered by insurance are included in 39-Corn Loan 2, Part V and 39-Corn Loan 2 (Supplement1).

Before delivery is authorized on corn that will grade less than No. 3, the inspector should determine that it can be handled by the warehouseman without mixing with corn of other grades.

## Section 3. Shortage in Quantity.

Producers may deliver all or part of the 1937, 1938 or 1939 corn in a bin or crib, but in cases where the full amount of corn covered by the loan is not delivered, the procedure in Part II, section 16, herein, will be followed.



Section 4. Deficiencies in Quality.

Borrowers agreed in the chattel mortgage to deliver corn grading No. 3 or better. When a borrower delivers corn which is damaged from causes not covered by insurance, the difference in market value of the damaged corn and grade No. 3 corn may be determined by the following schedule of differences. The grade determination made in the State office and reported on Corn Loan 15 shall be used except when damaged corn does not come within the classification for which discounts are shown herein and such corn is sold separately from other corn. In such cases the difference in the sale price and the value of grade No. 3 corn on the date of sale shall be determined by the Commodity Credit Corporation and reported to the county committee on a statement of deficiency.

Payment of deficiencies shall be made by cashier's check, bank draft, or Postal Money Order. Any indebtedness due the Commodity Credit Corporation in connection with any previous loan will be deducted from the storage advance and should be provided for on the producers letter of transmittal.

Revised Schedule of Discounts for Yellow, White and Mixed Corn

Grade No. 4 - One Cent (1¢) per Bushel  
Grade No. 5 - Two Cents (2¢) per Bushel

Sample Grade				
Minimum Test Weight (Pounds)	Moisture (Percent)	Total Damage (Percent)	Heat Damaged (Percent)	Discount Rate Per Bushel (Cents)
44	17.5	15.1 - 19.9	5	3
44	17.5	20.0 - 24.9	5	4
44	17.5	25.0 - 29.9	5	6
44	17.5	30.0 - 34.9	5	8
44	17.5	35.0 - 40.0	5	10

Note.-THIS IS THE FOURTH SCHEDULE (including schedule shown in 79-Corn Loan 8) that has been issued. Delivery date governs schedule to be used. However, discounts shown below are applicable to this and all previous schedules.

Any lot of corn grading Sample Grade solely on account of stones and/or cinders, or which is musty, or which has any commercially objectionable foreign odor, or cockle burrs, will have a discount of one cent (1¢) per bushel. This one cent (1¢) will be an additional discount if the corn grades Sample due to any of the factors as shown in the above schedule.

Any lot of corn grading No. 3, 4, 5, or Sample, containing weevil or moth infestation, will have an additional one-half cent (1/2¢) discount.

Discounts will have to be settled by the Special Representative for all corngrading sour, heating, or not coming within the classification of this schedule of discounts.



## Section 5. Reports of Corn Delivered

(a) C.C.C. Corn Form W. Corn delivered in liquidation of a loan shall be reported on C.C.C. Corn Form W, as provided in part II, Section 18, hereof. While this form serves the same purpose as 1938 and 1939 C.C.C. Corn Form W used last year, it has been revised to show the required information necessary to complete this year's resealing and liquidation program.

(b) Corn Loan 16. Where corn is being delivered for storage in steel bins, a record of the corn delivered by each borrower should be shown on Corn Loan 16, "Certificate of Delivery." The person in charge of the bins shall make a pencil copy of this form to be forwarded to the county office when the borrower has completed delivery.

County committees will type three copies, one to be attached to C.C.C. Corn Form W, one copy to be delivered to the borrower, and one copy filed in the county office.

(c) C.C.C. Form X-1. A record of the corn placed in each bin will be shown on the county committees copy of C.C.C. Form X-1. The same procedure, as used last year and outlined in 39-Corn Loan 8, Supplement 1, Section 14, will be followed in preparing and handling these forms.

## Section 6. Shipping Instructions.

County committees should write or wire to the Special Representative, Commodity Credit Corporation, 164 West Jackson Boulevard, Chicago, Illinois, for shipping instructions and such request should contain the following information:

<u>Shipping Point</u>	<u>: Railroad</u>	<u>: Bushels</u>	<u>: Grade and Color</u>
:	:	:	:
:	:	:	:
:	:	:	:
:	:	:	:

If shipping instructions are desired for a number of cars, the number and period during which shipment will be made should be given.

## Section 7. Bills of Lading.

Commodity Credit Corporation shall instruct all county elevators handling corn for their account to forward bills of lading direct to its office at Chicago, Illinois. In the event bills of lading are sent to the county committees in error, the same should be forwarded immediately to the Commodity Credit Corporation, 164 West Jackson Boulevard, Chicago, Illinois.

## Section 8. Loading of Corn at Shipping Points Where Approved Elevators Are Not Available.

In communities where there are no loading facilities or approved warehouses available for the loading of producers' corn delivered to the Commodity Credit Corporation, the county committee should make arrangements with the



producer or nonapproved warehouseman for the loading of the corn into cars. The following procedure shall be followed in handling deliveries of corn:

(a) Loading Facilities Not Available.

Arrangement shall be made with the producer to have the corn loaded direct into cars and such arrangements approved by the special representative of Commodity Credit Corporation at Chicago prior to the loading at which time shipping instructions will be given.

Arrangements should not be made for the loading of less than minimum carlots.

Two or more producers' corn may be commingled in the same car, provided all corn grades number 3 or better, in which event any shortages or overages in bushels or differences in grade at destination should be prorated to such producers on the basis of the number of bushels and the records indicate that each producer loaded into the car.

The county committee shall secure accurate weights and take representative samples of each producer's corn, load the car, and submit their report on C.C.C. Corn Form W together with bill of lading.

(b) Loading Facilities Available but Warehousemen Have Not Signed Uniform Grain Storage Agreements.

Where loading facilities are available but the warehouseman had not signed the uniform grain storage agreement, the county committee may enter into an agreement on Corn Loan 28 with the warehouseman for the shipping of corn. This agreement shall be signed in triplicate, one copy forwarded to special representative of Commodity Credit Corporation at Chicago, one copy kept on file in the county office and one copy furnished the warehouseman.

The same procedure shall be followed for handling and loading of the corn as when warehousemen have signed the uniform grain storage agreement, except that the county committee shall maintain strict supervision to see that the identical corn is loaded out.

Corn Loan 28 may also be used as an agreement for the loading of corn by an individual.

(c) Compensation for Loading Corn.

The Commodity Credit Corporation will pay not in excess of 2-1/2 cents per bushel for the loading of corn in accordance with above paragraphs (a) and (b). Net bushels of corn will be determined at destination.

Payment of loading costs will be divided as follows:

- (1) Warehouseman who signed agreement, or producer loading the corn, will be paid not in excess of 2 cents per bushel.



(2) County committee for the supervision will be paid not in excess of 1/2 cent.

The Commodity Credit Corporation will make the check out direct to the party loading corn and forward through the county committee. The county committee will receive payment for supervision direct from Commodity Credit Corporation.

Payment to warehouseman or party other than the producer will be subject to deduction for shortage or deficiency in grade determined by the number of bushels and grade loaded. Payment to the producer will be subject to deduction for any shortage or deficiency in grade, determined for the number of bushels under loan.

Payment to the county committee shall be based on weights at destination, and will not be subject to deduction for shortage or grade deficiency.

(d) Loading of Corn in Accordance with above Procedure.

The above procedure will not be applicable if an approved warehouse is available.

Warehouseman should not be offered this agreement if it is determined that sufficient volume will be loaded to warrant the warehouseman taking out bonds and signing uniform grain storage agreement.

Section 9. Reports of Warehouseman.

When signed Uniform Grain Storage agreements are received and executed, the Commodity Credit Corporation will provide warehousemen with forms and instructions pertaining to corn handled for their account. Copies of these forms and instructions will be furnished State and county committees.

Section 10. Shipments by Truck or Barge to Terminal or Subterminal Markets

Where shipment by truck or barge appears to be the most economical, county committees are requested to write or wire the Special Representative of Commodity Credit Corporation, 164 West Jackson Boulevard, Chicago, Illinois, for approval to make such shipments, stating the number of bushels, grade and color, cost, location of the corn and market to which shipment is to be made, and also stating briefly the reason for such request.

Section 11. Sales of Corn Collateral by County Committees.

It is not intended that any sales of corn shall be made by county committees except in those cases where at the end of the delivery period less than carload lots exist and shipment is inadvisable. Such sales must not be consummated except on the express authority of the Special Representative, Commodity Credit Corporation, Chicago, Illinois. At the time deliveries of corn are being completed, county committees may find that they have less than carload lots of corn at delivery points which cannot be stored locally. If they have small lots at other shipping points located between the point of origin and the point of destination, at a terminal market and on the same railroads, it may be possible to avoid shipments of small lots and combine such lots into full carloads. County committees should arrange to use the warehouseman's cleanup car privilege, if necessary.



Section 12. Scale Tickets and Warehouse Receipts.

(a) The local elevator should be instructed to issue separate scale tickets for each load of corn delivered by each producer for the account of Commodity Credit Corporation. Such scale tickets must show the weight and color of the corn delivered and must be issued in the name of the Commodity Credit Corporation, showing the name and address of the producer delivering the corn. The grade of the corn delivered shown on Corn Loan 15 should also be shown. Such scale tickets shall be delivered to the county committee and held by them until advised by the Commodity Credit Corporation of disposition of the corn evidenced by said scale tickets. Should permission be granted to store the grain, the county committee shall surrender to the local elevator the scale tickets covering the corn that is to be stored, in order that warehouse receipts may be issued.

(b) Warehouse receipts are to be issued in the name of Commodity Credit Corporation and must show weight, grade and color of the corn represented by said warehouse receipts and must be negotiable in form. Such receipts are to be delivered to the county committee who, in turn, shall forward the same with the Form W, to the Commodity Credit Corporation.

Section 13. Grade and Weight Determination.

Country warehousemen, as shippers, will be notified as to the grade and weight determination made at terminal or subterminal markets. If such grade is lower than the grade determined by the shipper, he may call for a Federal appeal and notify the county committee of such action. County committees or their representatives should contact warehousemen and carefully check the terminal and subterminal grades against the grades shown on Corn Loan 15. In all cases where the grade determined at the terminal or subterminal market does not agree with the grade indicated on Corn Loan 15, county committees should immediately send to a Federal Grain Supervisor for appeal grade determination one of the samples which accompanied Corn Loan 15 to the county office. The instructions stated on Corn Loan 15 should be carefully followed.

When the grade of corn as determined at terminal or subterminal markets is in agreement with the estimated grade indicated on Corn Loan 15, and no deficiency in grade is involved, the two samples secured, as provided in

Corn Loan 15, may be disposed of by the county committee, as it will not be necessary to send any samples to the State office.

Section 14. Return of Loan Papers.

Upon receipt by Commodity Credit Corporation of CCC Corn Form W, indicating the full quantity and quality of corn pledged was delivered or all of the pledged corn has been accounted for by a renewal of the loan and payment of any deficiency arising because of the quantity or quality of corn delivered, the producer's note and mortgage will be marked "Paid" and returned to the county committee. Members of the county committee shall release the mortgage and the fee charged for such release may be paid from the county association's funds.